



# QUARTERLY STATEMENT

**AS OF JUNE 30, 2011**  
OF THE CONDITION AND AFFAIRS OF THE

## Permanent General Assurance Corporation

NAIC Group Code	3638 (Current Period)	3638 (Prior Period)	NAIC Company Code	37648	Employer's ID Number	13-2960609
Organized under the Laws of		Tennessee	State of Domicile or Port of Entry		Ohio	
Country of Domicile		United States				
Incorporated/Organized		09/28/1994	Commenced Business		09/28/1994	
Statutory Home Office		9700 Rockside Road, Suite 250 (Street and Number)			Valley View, OH 44125 (City or Town, State and Zip Code)	
Main Administrative Office		2636 Elm Hill Pike, Suite 510 (Street and Number)	Nashville, TN 37214 (City or Town, State and Zip Code)		615-242-1961 (Area Code) (Telephone Number)	
Mail Address		P.O. Box 305054 (Street and Number or P.O. Box)			Nashville, TN 37230-5054 (City or Town, State and Zip Code)	
Primary Location of Books and Records		2636 Elm Hill Pike, Suite 510 (Street and Number)	Nashville, TN 37214 (City or Town, State and Zip Code)		615-744-1221 (Area Code) (Telephone Number)	
Internet Web Site Address		www.pgac.com				
Statutory Statement Contact		R BURTON BARNES JR (Name)	615-744-1221 (Area Code) (Telephone Number) (Extension)			
		BBARNES@PGAC.COM (E-Mail Address)	615-744-1608 (Fax Number)			

## OFFICERS

Name	Title	Name	Title
RANDY PHILIP PARKER	Chairman, President & CEO Sr. V.P., Chief Administrative Officer	BRIAN MICHAEL DONOVAN	CFO, Treasurer & Assistant Secretary
DAVID LEE HETTINGER			

## OTHER OFFICERS

SHERRILL CLEEK KAISER	Secretary	EILEEN MARY MANNERS	Assistant V.P., Claims
ALLISON WALKER GARRETSON	V.P., Underwriting & Premium Finance	BARRY SCOT DICE	V.P., Direct Sales & Marketing
KENTON LEE FOURMAN	V.P., Chief Information Officer	CHARLES WESLEY KIRKLAND, JR.	V.P., Claims
ERIC WILLIAM BUR	V.P., IA Sales & Distribution	JOHN ALLEN HOLLAR	V.P., Product Management
ANDREW PETER MARTIN	Sr. V.P. Company-wide Sales & Distribution	ROBERT EUGENE NELSON	Assistant Secretary
ELIZABETH ANN ROBERTS	V.P., Human Resources	TODD RAYMOND HAKALA	V.P., Actuary Services

## **DIRECTORS OR TRUSTEES**

BRIAN MICHAEL DONOVAN      DAVID LEE HETTINGER      ANDREW PETER MARTIN      ELIZABETH ANN ROBERTS  
RANDY PHILIP PARKER

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

Subscribed and sworn to before me this  
8 day of August, 2011

BRIAN MICHAEL DONOVAN  
CFO, Treasurer & Assistant Secretary

ROBERT EUGENE NELSON  
Assistant Secretary

- a. Is this an original filing? Yes [ X ] No [ ]

- b. If no,

  1. State the amendment number \_\_\_\_\_
  2. Date filed \_\_\_\_\_
  3. Number of pages attached \_\_\_\_\_

Subscribed and sworn to before me this  
8 day of August, 2011

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Susan Hawk, Notary Public  
11-5-2015

**STATEMENT AS OF JUNE 30, 2011 OF THE Permanent General Assurance Corporation**

**ASSETS**

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds .....	116,106,792		116,106,792	110,678,145
2. Stocks:				
2.1 Preferred stocks .....			0	0
2.2 Common stocks .....	5,697,806	338,270	5,359,536	0
3. Mortgage loans on real estate:				
3.1 First liens .....			0	0
3.2 Other than first liens .....			0	0
4. Real estate:				
4.1 Properties occupied by the company (less \$ ..... encumbrances) .....			0	0
4.2 Properties held for the production of income (less \$ ..... encumbrances) .....			0	0
4.3 Properties held for sale (less \$ ..... encumbrances) .....			0	0
5. Cash (\$ ..... 0 ), cash equivalents (\$ ..... 0 ) and short-term investments (\$ ..... 10,482,057 ) .....	10,482,057		10,482,057	14,860,820
6. Contract loans (including \$ ..... premium notes) .....			0	0
7. Derivatives .....			0	0
8. Other invested assets .....	0		0	0
9. Receivables for securities .....			0	0
10. Securities lending reinvested collateral assets .....			0	0
11. Aggregate write-ins for invested assets .....	0	.0	0	15,171
12. Subtotals, cash and invested assets (Lines 1 to 11) .....	132,286,655	338,270	131,948,385	125,554,136
13. Title plants less \$ ..... charged off (for Title insurers only) .....			0	0
14. Investment income due and accrued .....	1,322,054		1,322,054	1,212,248
15. Premiums and considerations:				
15.1 Uncollected premiums and agents' balances in the course of collection .....	11,540,581	.75,437	11,465,144	11,538,715
15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ ..... earned but unbilled premiums) .....	54,139,294		54,139,294	49,939,951
15.3 Accrued retrospective premiums .....			0	0
16. Reinsurance:				
16.1 Amounts recoverable from reinsurers .....	2,580,041		2,580,041	162,267
16.2 Funds held by or deposited with reinsured companies .....			0	0
16.3 Other amounts receivable under reinsurance contracts .....			0	0
17. Amounts receivable relating to uninsured plans .....			0	0
18.1 Current federal and foreign income tax recoverable and interest thereon .....	2,306,283		2,306,283	.2,100,678
18.2 Net deferred tax asset .....	7,253,895	1,033,805	6,220,090	.5,725,205
19. Guaranty funds receivable or on deposit .....	.6,625		.6,625	.6,625
20. Electronic data processing equipment and software .....			0	0
21. Furniture and equipment, including health care delivery assets (\$ ..... ) .....			0	0
22. Net adjustment in assets and liabilities due to foreign exchange rates .....			0	0
23. Receivables from parent, subsidiaries and affiliates .....	164,523		164,523	.458,720
24. Health care (\$ ..... ) and other amounts receivable .....			0	0
25. Aggregate write-ins for other than invested assets .....	0	.0	0	0
26. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25) .....	211,599,951	1,447,512	210,152,439	196,698,545
27. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			0	0
28. Total (Lines 26 and 27) .....	211,599,951	1,447,512	210,152,439	196,698,545
<b>DETAILS OF WRITE-INS</b>				
1101. Income due on security .....			0	15,171
1102. .....				
1103. .....				
1198. Summary of remaining write-ins for Line 11 from overflow page .....	0	.0	0	0
1199. Totals (Lines 1101 through 1103 plus 1198)(Line 11 above) .....	0	0	0	15,171
2501. .....				
2502. .....				
2503. .....				
2598. Summary of remaining write-ins for Line 25 from overflow page .....	0	0	0	0
2599. Totals (Lines 2501 through 2503 plus 2598)(Line 25 above) .....	0	0	0	0

**STATEMENT AS OF JUNE 30, 2011 OF THE Permanent General Assurance Corporation**

**LIABILITIES, SURPLUS AND OTHER FUNDS**

	1 Current Statement Date	2 December 31, Prior Year
1. Losses (current accident year \$ 23,991,058 )	39,305,540	36,537,302
2. Reinsurance payable on paid losses and loss adjustment expenses		239,181
3. Loss adjustment expenses	7,495,771	6,624,134
4. Commissions payable, contingent commissions and other similar charges	165,422	105,444
5. Other expenses (excluding taxes, licenses and fees)	0	0
6. Taxes, licenses and fees (excluding federal and foreign income taxes)	936,617	839,775
7.1 Current federal and foreign income taxes (including \$ on realized capital gains (losses))	0	0
7.2 Net deferred tax liability	0	0
8. Borrowed money \$ and interest thereon \$	0	0
9. Unearned premiums (after deducting unearned premiums for ceded reinsurance of \$ 49,839,147 and including warranty reserves of \$ )	71,719,566	65,797,420
10. Advance premium	1,598,554	1,580,851
11. Dividends declared and unpaid:		
11.1 Stockholders	0	0
11.2 Policyholders	0	0
12. Ceded reinsurance premiums payable (net of ceding commissions)	432,921	1,878,744
13. Funds held by company under reinsurance treaties	0	0
14. Amounts withheld or retained by company for account of others	0	0
15. Remittances and items not allocated	0	0
16. Provision for reinsurance	0	0
17. Net adjustments in assets and liabilities due to foreign exchange rates	0	0
18. Drafts outstanding	0	0
19. Payable to parent, subsidiaries and affiliates	0	0
20. Derivatives	0	0
21. Payable for securities	1,345,629	0
22. Payable for securities lending	0	0
23. Liability for amounts held under uninsured plans	0	0
24. Capital notes \$ and interest thereon \$	0	0
25. Aggregate write-ins for liabilities	0	0
26. Total liabilities excluding protected cell liabilities (Lines 1 through 25)	123,000,020	113,602,851
27. Protected cell liabilities	0	0
28. Total liabilities (Lines 26 and 27)	123,000,020	113,602,851
29. Aggregate write-ins for special surplus funds	0	0
30. Common capital stock	5,000,000	5,000,000
31. Preferred capital stock	0	0
32. Aggregate write-ins for other than special surplus funds	0	0
33. Surplus notes	0	0
34. Gross paid in and contributed surplus	34,274,183	33,574,183
35. Unassigned funds (surplus)	47,878,236	44,521,511
36. Less treasury stock, at cost:		
36.1 shares common (value included in Line 30 \$ )	0	0
36.2 shares preferred (value included in Line 31 \$ )	0	0
37. Surplus as regards policyholders (Lines 29 to 35, less 36)	87,152,419	83,095,694
38. Totals (Page 2, Line 28, Col. 3)	210,152,439	196,698,545
<b>DETAILS OF WRITE-INS</b>		
2501.	0	0
2502.	0	0
2503.	0	0
2598. Summary of remaining write-ins for Line 25 from overflow page	0	0
2599. Totals (Lines 2501 through 2503 plus 2598) (Line 25 above)	0	0
2901.	0	0
2902.	0	0
2903.	0	0
2998. Summary of remaining write-ins for Line 29 from overflow page	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above)	0	0
3201.	0	0
3202.	0	0
3203.	0	0
3298. Summary of remaining write-ins for Line 32 from overflow page	0	0
3299. Totals (Lines 3201 through 3203 plus 3298) (Line 32 above)	0	0

**STATEMENT AS OF JUNE 30, 2011 OF THE Permanent General Assurance Corporation**

**STATEMENT OF INCOME**

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
<b>UNDERWRITING INCOME</b>			
1. Premiums earned:			
1.1 Direct (written \$ 100,404,814 )	93,868,556	85,383,553	171,150,802
1.2 Assumed (written \$ 54,014,069 )	50,512,792	43,081,088	90,591,543
1.3 Ceded (written \$ 63,311,742 )	59,196,353	52,670,503	107,314,361
1.4 Net (written \$ 91,107,141 )	85,184,995	75,794,138	154,427,984
<b>DEDUCTIONS:</b>			
2. Losses incurred (current accident year \$ 23,505,155 ):			
2.1 Direct	58,312,831	53,371,780	102,257,650
2.2 Assumed	33,560,561	26,293,789	59,364,260
2.3 Ceded	38,893,355	33,009,571	66,162,804
2.4 Net	52,980,037	46,655,998	95,459,106
3. Loss adjustment expenses incurred	9,146,278	7,282,344	13,978,211
4. Other underwriting expenses incurred	35,793,715	31,858,979	61,806,303
5. Aggregate write-ins for underwriting deductions	0	0	0
6. Total underwriting deductions (Lines 2 through 5)	97,920,030	85,797,321	171,243,620
7. Net income of protected cells	0	0	0
8. Net underwriting gain (loss) (Line 1 minus Line 6 + Line 7)	(12,735,035)	(10,003,183)	(16,815,636)
<b>INVESTMENT INCOME</b>			
9. Net investment income earned	2,901,543	3,097,418	5,914,624
10. Net realized capital gains (losses) less capital gains tax of \$	2,262,330	269,723	(787,966)
11. Net investment gain (loss) (Lines 9 + 10)	5,163,873	3,367,141	5,126,658
<b>OTHER INCOME</b>			
12. Net gain or (loss) from agents' or premium balances charged off (amount recovered \$ _____ amount charged off \$ _____ )	0	0	0
13. Finance and service charges not included in premiums	9,691,321	9,333,690	18,317,070
14. Aggregate write-ins for miscellaneous income	29,466	13,488	450,012
15. Total other income (Lines 12 through 14)	9,720,787	9,347,178	18,767,082
16. Net income before dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Lines 8 + 11 + 15)	2,149,625	2,711,136	7,078,104
17. Dividends to policyholders	0	0	0
18. Net income, after dividends to policyholders, after capital gains tax and before all other federal and foreign income taxes (Line 16 minus Line 17)	2,149,625	2,711,136	7,078,104
19. Federal and foreign income taxes incurred	(2,399)	949,614	2,184,098
20. Net income (Line 18 minus Line 19)(to Line 22)	2,152,024	1,761,522	4,894,006
<b>CAPITAL AND SURPLUS ACCOUNT</b>			
21. Surplus as regards policyholders, December 31 prior year	83,095,694	76,907,172	76,907,172
22. Net income (from Line 20)	2,152,024	1,761,522	4,894,006
23. Net transfers (to) from Protected Cell accounts	0	0	0
24. Change in net unrealized capital gains or (losses) less capital gains tax of \$	(621,139)	48,740	3,101,954
25. Change in net unrealized foreign exchange capital gain (loss)	0	0	0
26. Change in net deferred income tax	9,577	338,987	(368,397)
27. Change in nonadmitted assets	1,816,263	(1,361,900)	(1,435,067)
28. Change in provision for reinsurance	0	0	0
29. Change in surplus notes	0	0	0
30. Surplus (contributed to) withdrawn from protected cells	0	0	0
31. Cumulative effect of changes in accounting principles	0	0	0
32. Capital changes:			
32.1 Paid in	0	0	0
32.2 Transferred from surplus (Stock Dividend)	0	0	0
32.3 Transferred to surplus	0	0	0
33. Surplus adjustments:			
33.1 Paid in	700,000	0	0
33.2 Transferred to capital (Stock Dividend)	0	0	0
33.3 Transferred from capital	0	0	0
34. Net remittances from or (to) Home Office	0	0	0
35. Dividends to stockholders	0	0	0
36. Change in treasury stock	0	0	0
37. Aggregate write-ins for gains and losses in surplus	0	0	(3,974)
38. Change in surplus as regards policyholders (Lines 22 through 37)	4,056,725	787,349	6,188,522
39. Surplus as regards policyholders, as of statement date (Lines 21 plus 38)	87,152,419	77,694,521	83,095,694
<b>DETAILS OF WRITE-INS</b>			
0501.			
0502.			
0503.			
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0
0599. TOTALS (Lines 0501 through 0503 plus 0598) (Line 5 above)	0	0	0
1401. FINANCE ROYALTY INCOME	472	22,379	37,875
1402. OTHER INTEREST (EXPENSE)	28,994	(23,888)	361,656
1403. OTHER INCOME	0	14,997	0
1498. Summary of remaining write-ins for Line 14 from overflow page	0	0	50,481
1499. TOTALS (Lines 1401 through 1403 plus 1498) (Line 14 above)	29,466	13,488	450,012
3701. OTHER INCREASES / (DECREASES)	0	0	(3,974)
3702.			
3703.			
3798. Summary of remaining write-ins for Line 37 from overflow page	0	0	0
3799. TOTALS (Lines 3701 through 3703 plus 3798) (Line 37 above)	0	0	(3,974)

**STATEMENT AS OF JUNE 30, 2011 OF THE Permanent General Assurance Corporation**

**CASH FLOW**

	1 Current Year To Date	2 Prior Year To Date	3 Prior Year Ended December 31
<b>Cash from Operations</b>			
1. Premiums collected net of reinsurance.....	85,684,049	68,790,576	148,622,618
2. Net investment income.....	3,086,986	3,237,043	6,319,884
3. Miscellaneous income .....	9,720,787	9,347,178	18,767,082
4. Total (Lines 1 to 3) .....	98,491,822	81,374,797	173,709,584
5. Benefit and loss related payments .....	52,868,754	49,565,636	96,618,494
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....	0	0	0
7. Commissions, expenses paid and aggregate write-ins for deductions .....	43,911,536	39,553,765	77,970,625
8. Dividends paid to policyholders .....	0	0	0
9. Federal and foreign income taxes paid (recovered) net of \$ tax on capital gains (losses).....	203,206	3,781,818	4,460,324
10. Total (Lines 5 through 9) .....	96,983,496	92,901,219	179,049,443
11. Net cash from operations (Line 4 minus Line 10) .....	1,508,326	(11,526,422)	(5,339,859)
<b>Cash from Investments</b>			
12. Proceeds from investments sold, matured or repaid:			
12.1 Bonds .....	31,826,235	18,713,708	36,429,661
12.2 Stocks .....	1,500,000	0	0
12.3 Mortgage loans .....	0	0	0
12.4 Real estate .....	0	0	0
12.5 Other invested assets .....	0	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments .....	0	0	0
12.7 Miscellaneous proceeds .....	1,345,629	39,384	0
12.8 Total investment proceeds (Lines 12.1 to 12.7) .....	34,671,864	18,753,092	36,429,661
13. Cost of investments acquired (long-term only):			
13.1 Bonds .....	36,573,541	20,841,569	27,561,519
13.2 Stocks .....	4,994,781	1,150,000	1,150,000
13.3 Mortgage loans .....	0	0	0
13.4 Real estate .....	0	0	0
13.5 Other invested assets .....	0	0	0
13.6 Miscellaneous applications .....	0	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6) .....	41,568,322	21,991,569	28,711,519
14. Net increase (or decrease) in contract loans and premium notes .....	0	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14) .....	(6,896,458)	(3,238,477)	7,718,142
<b>Cash from Financing and Miscellaneous Sources</b>			
16. Cash provided (applied):			
16.1 Surplus notes, capital notes .....	0	0	0
16.2 Capital and paid in surplus, less treasury stock.....	700,000	0	0
16.3 Borrowed funds .....	0	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities .....	0	0	0
16.5 Dividends to stockholders .....	0	0	0
16.6 Other cash provided (applied).....	309,369	10,643,576	8,068,214
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6) .....	1,009,369	10,643,576	8,068,214
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>			
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) .....	(4,378,763)	(4,121,323)	10,446,497
19. Cash, cash equivalents and short-term investments:			
19.1 Beginning of year.....	14,860,820	4,414,323	4,414,323
19.2 End of period (Line 18 plus Line 19.1) .....	10,482,057	293,000	14,860,820

## **NOTES TO FINANCIAL STATEMENTS**

### **1. Summary of Significant Accounting Policies**

- A. The accompanying financial statements of Permanent General Assurance Corporation have been prepared in accordance with the NAIC Accounting Practices and Procedures Manual except to the extent that Ohio law differs. However, as of this Statement date, there have been no requests from the State of Ohio to depart from the prescribed NAIC guidelines.

A reconciliation of the Company's net income and capital and surplus between NAIC SAP and practices prescribed and permitted by the state of Ohio is shown below:

	<u>2011</u>	<u>2010</u>
<u>Net Income</u>		
(1) Ohio company state basis (Page 4, Line 20, Column 1 & 2)	\$2,152	\$4,894
(2) State prescribed practices that increase / (decrease) NAIC SAP:		
(3) State permitted practices that increase / (decrease) NAIC SAP:		
(4) NAIC SAP	\$2,152	\$4,894
<u>Surplus</u>		
(5) Ohio company state basis (Page 3, Line 37, Column 1 & 2)	\$87,152	\$83,096
(6) State prescribed practices that increase / (decrease) NAIC SAP:		
(7) State permitted practices that increase / (decrease) NAIC SAP:		
(8) NAIC SAP	\$87,152	\$83,096

### **B. Use of Estimates in the Preparation of the Financial Statements**

The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

### **C. Accounting Policy**

Premiums are earned over the terms of the related insurance policies. Unearned premium reserves are established to cover the unexpired portion of premiums written. Such reserves are computed by pro rata methods for direct business.

Expenses incurred in connection with acquiring new insurance business, including such acquisition costs as sales commissions, are charged to operations as incurred. Expenses incurred are reduced for ceding allowances received or receivable.

- (1) Short-term investments are stated at cost.
- (2) Bonds are stated at amortized cost using the yield to maturity method.
- (3) Common stocks, if owned are stated at lower of cost or market with exception to the stock of PGAC's wholly owned subsidiary (which is valued as described in the NAIC Valuation of Securities Manual).
- (4) The Company holds no preferred stock as of the statement date.
- (5) The Company holds no mortgage loans.
- (6) The basis for loan backed securities is amortized cost or the lower of amortized cost or fair market value. The adjustment methodology used for each type of security is prospective for securities which an OTTI loss has been recognized and retrospective for all other securities.
- (7) The Company values PGA Service Corporation (a wholly owned subsidiary) in accordance with the NAIC policies and procedures manual.
- (8) The company has no investments in joint ventures, partnerships & limited liability company.
- (9) The company has no investments in derivatives.
- (10) The Company anticipates investment income as a factor in the premium deficiency calculation.
- (11) Reserve for losses represents the estimated liability for claims reported to the Company and an amount, based on actuarially determined reserves for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability is continually reviewed and any adjustments are reflected in the period determined.
- (12) The Company has not modified its capitalization policy from the prior year.
- (13) The Company has no pharmaceutical rebate receivables.

### **2. Accounting Changes and Corrections of Errors:**

No change.

### **3. Business Combinations and Goodwill**

None.

### **4. Discontinued Operations**

None.

### **5. Investments**

- A) The Company has no mortgage loans.
- B) The Company did not restructure any debt.
- C) The Company has no reverse mortgages.
- D) Loan-Backed Securities
  - (1) The source used to determine prepayment assumptions is Intex.
  - (2) Not applicable.
  - (3) Securities with recognized impairments currently held.

## NOTES TO FINANCIAL STATEMENTS

Cusip	Book / Adjusted Carrying Value Amortized Cost Before Current Period OTII	Present Value of Projected Cashflows	Recognized Other-Than Temporary Impairment to Date	Amortized Cost At Report Date	Fair Value at Report Date
05952AAL8	273,101	267,445	(6,353)	271,570	252,800
07388YAW2	987,319	41,525	(678,205)	239,509	458,787
17307GPJ1	703,117	75,716	(897,177)	51,482	23,706
20173QAE1	967,372	967,314	(196)	969,464	1,071,900
32051GY90	50,903	41,847	(896,921)	33,356	8,505
466247WV1	889,384	790,761	(166,117)	774,078	76,157
61757RAD9	879,593	878,023	(1,570)	888,866	1,061,160
73316PBB5	468,281	468,137	(144)	468,759	172,908
73316PCK4	606,897	606,809	(88)	607,080	373,326
76112BDV9	601,961	601,704	(257)	602,258	385,233
<b>Total</b>	<b>6,427,929</b>	<b>4,739,281</b>	<b>(2,647,028)</b>	<b>4,906,423</b>	<b>3,884,481</b>

(4) All impaired securities (fair value is less than amortized cost) for which an other-than-temporary impairment has not been recognized in earnings as a realized loss (including securities with a recognized other-than-temporary impairment for non-interest related declines when a non-recognized interest related impairment remains):

Continuous Unrealized Loss	Less than 12 Months	\$ 0
	12 Months or Longer	(\$320,484)

Fair Value of Security with Continuous Unrealized Loss

Less than 12 Months	\$ 0
12 Months or Longer	\$2,201,707

(5) Not Applicable

- E) The Company has no repurchase agreements.
- F) The Company has no real estate investments.
- G) The Company has no low-income housing tax credits (LIHTC).

**6. Joint Ventures, Partnerships and Limited Liability Companies**  
None.

**7. Investment Income**  
All investment income due and accrued is admitted.

**8. Derivative Instruments**  
None.

**9. Income Taxes**

A. The components of the net DTA recognized in the Company's Assets, Liabilities, Surplus and Other Funds is as follows:

	30-June-11			31-Dec-10		
Ordinary	6,322,597	931,297	7,253,895	5,818,757	1,425,560	7,244,318
Total gross deferred tax liabilities						
Net deferred tax asset	6,322,597	931,297	7,253,895	5,818,757	1,425,560	7,244,318
Deferred tax assets nonadmitted			(1,033,805)			(1,519,112)
Net admitted deferred tax asset			6,220,090			5,725,205
(Increase) Decrease in nonadmitted asset			485,307			(63,082)

The Company has not elected to admit additional DTAs pursuant to SSAP 10R, paragraph 10e. The current period election does not differ from the prior reporting period.

The amount of each result or component of the calculation, by tax character of paragraphs 10a, 10bi, 10bii, 10c:

	30-June-11			31-Dec-10		
	Ordinary	Capital	Total	Ordinary	Capital	Total
Recovered through loss carrybacks (10a)	2,012,536	-	2,012,536	5,712,563		5,712,563
Expected to be recognized within 1 year (10b)	4,207,554		4,207,554	12,642		12,642
Adjusted gross DTAs offset against DTLs (10c)	-		-			-

Risk-based capital level used in paragraph 10d:

**NOTES TO FINANCIAL STATEMENTS**

Total adjusted capital	87,152,419	83,095,694
Authorized control level	18,136,975	18,136,975

The following amounts resulting from the calculation in paragraphs 10a, 10b, and 10c:

	30-June-11	31-Dec-10
Admitted DTAs	6,220,090	5,725,205
Admitted Assets	210,152,439	196,698,545
Statutory Surplus	87,152,419	83,095,694
Total Adjusted Capital	87,152,419	83,095,694

Impact of Tax Planning Strategies:	30-June-11			31-Dec-10		
	Ordinary	Capital	Total	Ordinary	Capital	Total
Adjusted Gross DTAs	0.0%	12.8%	12.8%	0.0%	19.7%	19.7%
(% of Total Adjusted Gross DTAs)						
Net Admitted Adjusted Gross DTAs	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
(% of Total Net Admitted Adjusted Gross DTAs)						

**B. Unrecognized DTLs**

Not applicable

**C. Current Tax and Change in Deferred Tax**

The provisions for income taxes incurred on earnings for the periods ended are:

	30-June-11	31-Dec-10
Current federal income tax provision	(2,399)	1,919,652
Prior year (overaccrual)/underaccrual	0	264,446
Federal and foreign income taxes incurred	<u>(2,399)</u>	<u>2,184,098</u>

The tax effect of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities are as follows:

	30-June-11	31-Dec-10
Deferred Tax Assets		
Unearned premium reserve@ 20%	5,063,358	4,605,819
Discounted loss reserves	530,009	483,707
Guaranty fund accrual	-	-
Allowance for Bad Debts	729,231	729,231
Unearned Provisional Commission	-	-
Impairment Loss on Investments	<u>931,297</u>	<u>1,425,560</u>
Total deferred tax assets	7,253,895	7,244,318
Nonadmitted deferred tax assets	<u>(1,033,805)</u>	<u>(1,519,112)</u>
Admitted deferred tax assets	6,220,090	5,725,205
Deferred Tax Liabilities		
Total deferred tax liabilities	-	-
Net admitted deferred tax assets	6,220,090	5,725,205

The change in net deferred income taxes is comprised of the following:

	30-June-11	31-Dec-10	Change
Total deferred tax assets	7,253,895	7,244,318	9,577
Total deferred tax liabilities	-	-	-
Net deferred tax asset	7,253,895	7,244,318	9,577
Tax effect of unrealized gains			-
Change in net deferred income tax			9,577

**D. Reconciliation of Federal Income Tax Rate to Actual Effective Rate**

The significant items causing a difference between the statutory federal income tax rate and the Company's effective income tax rate are as follows:

	30-June-11	Effective Rate
Provision computed at statutory rate	65,960	35.00%

## NOTES TO FINANCIAL STATEMENTS

Tax exempt interest	(90,900)	-48.23%
Other permanent differences	13,415	7.12%
State tax	(605)	-0.32%
Rate differential	154	0.08%
Provision to return adjustment	0)	0.00%
Total	(11,976)	-6.35%

	30-June-11	Effective Rate
Federal and foreign income taxes incurred	(2,399)	-1.27%
Current taxes on realized capital gains	-	0.00%
Change in net deferred income taxes	(9,577)	-5.08%
Total statutory income taxes	(11,976)	-6.35%

### E. Operating Loss and Tax Credit Carryforwards

At the end of the year, the Company did not have any unused operating loss carryforwards available to offset against future taxable income.

Income tax expense for 2011 and 2010 in the amounts of \$0 and \$2,085,224 are available for recoupment in the event of future losses.

### F. Consolidated Federal Income Tax Return

1) The Company's federal income tax return will be consolidated with the following entities:

PGC Holdings Corp. (parent)	The General Automobile Insurance Services, Inc.
Permanent General Companies, Inc.	The General Automobile Insurance Services of Georgia, Inc.
Permanent General Assurance Corporation	The General Automobile Insurance Services of Louisiana, Inc.
PGA Service Corporation	The General Automobile Insurance Services of Ohio, Inc.
The General Automobile Insurance Company, Inc.	The General Automobile Insurance Services of Texas, Inc.

2) The method of allocation between the companies is subject to written agreement, approved by the Board of Directors. Allocation is based upon separate return calculations with current credit for net losses. Intercompany tax balances are settled quarterly.

### 10. Information Concerning Parent, Subsidiaries Affiliates and Other Related Parties

- A,B,C. In March 2011 PGASC returned capital in the amount of \$1,500,000 to it's parent PGAC. In March 2011 Permanent General Companies, Inc. made a capital contribution of \$700,000 to it's subsidiary PGAC.
- D. At June 30, 2011, the Company reported \$164,523 net receivable from it's parent and affiliates. The terms of the settlement require these amounts are settled within 90 days.
- E. The Company has made no guarantees or undertakings for the benefit of the parent or affiliates.
- F. PGAC is a affiliate of PGC Holdings Corp. and as such has a tax agreement in place with this affiliated company. PGAC also has a service agreement in place with its parent Permanent General Companies, Inc (PGC), which is also a wholly owned subsidiary of PGC Holdings Corp. Under this agreement PGC performs administrative services on behalf of PGAC. These services include; claims administration, underwriting, policy issuance and record keeping, legal services, data processing and accounting.
- G. All outstanding shares of the company are owned by the parent company, Permanent General Companies, Inc., a non-insurance holding company domiciled in the State of Tennessee.
- H. The Company wholly owns PGA Service Corporation, an insurance premium finance company domiciled in the State of Tennessee.
- I.J. The Company has no investments in an SCA entity that exceeds 10% of admitted assets.
- K. None.
- L. None.

### 11. Debt

None.

### 12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans.

None.

### 13. Capital and Surplus, Dividend Restrictions and Quasi-Reorganizations

No change.

### 14. Contingencies

- (A) The company has no contingent commitments to an SCA entity, joint ventures, partnerships, or limited liability companies.
- (B) The company has a guaranty fund asset of \$6,625, which will be offset against premium tax payments thru 2011.
- (C) The company has no gain contingencies.
- (D) Claims related extra contractual obligations and bad faith losses stemming from lawsuits.

The company paid the following amounts in the reporting period to settle claims related extra contractual obligations or bad faith claims stemming from lawsuits.

## NOTES TO FINANCIAL STATEMENTS

	<u>Direct</u>
Claim payments made during reporting period	\$19,000

Number of claims where amounts were paid to settle claims resulting from lawsuits during the reporting period.

(A)	(B)	(C)	(D)	(E)
0-25	26-50	51-100	101-500	More than 500 Claims
X				

Indicate whether claim count information is disclosed per claim or claimant.

(F) Per Claim  (G) Per Claimant

(E) All Other Contingencies.

Various lawsuits against the Company have arisen in the course of the Company's business. Contingent liabilities arising from litigation, income taxes and other matters are not considered material in relation to the financial position of the Company.

**15. Leases.**

None.

**16. Information about Financial Instruments with Off-balance Sheet Risk and Financial Instruments with Concentrations of Credit Risk.**

None.

**17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities.**

None.

**18. Gain or Loss to the Report Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans.**

None.

**19. Direct Premium Written/Produced by MGA/3rd Party Administration**

None.

**20. Fair Value Measurements.**

A. (1) Assets Measured at Fair Value on a Recurring Basis

Description	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total @ 06/30/2011
Common Stock	\$359,536			\$359,536
<b>Total</b>	<b>\$359,536</b>	0	0	<b>\$359,536</b>

(2) Assets Measured at Fair Value on a Recurring Basis Using Significant Unobservable Inputs (Level 3)  
None.

## NOTES TO FINANCIAL STATEMENTS

B. (1) Assets Measured at Fair Value on a Nonrecurring Basis

Description	Total @ 06/30/2011	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Gains (Losses)
Bonds	4,613,538	1,395,703	3,217,835	(1,853,667)	
<b>Total</b>	<b>4,613,538</b>	<b>0</b>	<b>1,395,703</b>	<b>3,217,835</b>	<b>(1,853,667)</b>

(2-3) The market inputs utilized in the pricing evaluation include benchmark yields, reported trades, broker/dealer quotes, issuer spreads, bids, offers, industry and economic events. The company then makes assumptions for market based inputs that are unavailable due to market conditions for level 3 securities.

- C. Not required
- D. Not applicable.

**21. Other Items.**

A. Extraordinary Items  
None.

B. Troubled Debt Restructuring. Debtors  
None.

C. Other Disclosers  
None.

D. The Company routinely assesses the collectibility of premium and agent balances. The uncollectible amounts are not material to the Company's financial condition.

E. Business Interruption Insurance Recoveries.  
None.

F. State Transferable Tax Credits  
None.

G. Subprime Mortgage Related Risk Exposure

(1) Factors used to determine the investment in a specific sub-prime security include the quality of underwriter / loan servicer, types of loans (fixed, floating, hybrid ARM), loan quality (documentation, purpose, occupancy), loan origination year (vintage), loan geographic distribution, average loan to values, average FICO scores and the securities credit support level. Loan loss estimates are computed based on historical loan delinquency and foreclosure statistics and projecting future delinquencies and losses under multiple economic scenarios including various home price changes and employment estimates, as well as servicer style and the foreclosure rules for each state. Total projected losses for all mortgages in each deal are then compared to the credit support (subordination plus over collateralization) to determine the percentage of principal loss expected for each tranche. To minimize specific security risk and concentration risk to the sector, issue limitations and sector limitations as a percentage of the portfolio have been established.

(2) Direct Exposure through investment in subprime mortgage loans.

None.

(3) Direct Exposure through other investments.

Description	Cost	Book adjusted carry value	Fair value	OTTI to date
Other Assets	\$1,127,321	\$597,716	\$569,940	\$897,409

(4) Underwriting exposure to subprime mortgage risk through Mortgage Guaranty or Financial Guaranty insurance coverage.

None.

**22. Events Subsequent.**

None.

**23. Reinsurance**

No change.

**24. Retrospectively Rated Contracts & Contracts Subject to Redetermination.**

None.

**25. Change in Incurred Losses and Loss Adjustment Expenses**

Loss & lae reserves as of December 31, 2010 were \$43.161 million. As of June 30, 2011, \$26.905 million has been paid for incurred loss & lae expenses attributable to insured events or prior years. Reserves remaining for prior

## **NOTES TO FINANCIAL STATEMENTS**

years are now \$18.740 million as a result of re-estimation of unpaid claims and lae expenses. Therefore, there has been a \$2.484 million unfavorable prior year development from 12/31/2010 to 06/30/2011 principally on liability lines of business. \$1.796 million of the reserve development was from accident year 2010 and \$.688 was from accident year 2009 and prior. States entered into since 2005 accounted for \$.960 million of the total development due to claim severity projected at the end of the second quarter 2011 being higher than was projected at year-end 2010. In older states, Tennessee accounted for \$.295 million of development because of claims severity. Ohio had \$.236 million of development from higher than average projected case reserves. Florida had \$.236 million of adverse development from accident year 2010 due to higher than projected pip frequency and severity. The development is generally the result of an ongoing analysis of recent loss development trends and are increased or decreased as additional information becomes known regarding individual claims. The Company has no retrospectively rated policies that are subject to premium adjustments.

**26. Intercompany Pooling Arrangements**

Effective January 1, 2010, the Company (lead entity) entered into a reinsurance pooling agreement with PGAC of Ohio (NAIC company code - 22906) and The General Automobile Insurance Company, Inc. (GAIC) (NAIC company code - 13703), both of which are affiliated property and casualty insurance companies incorporated in Ohio. The business includes private passenger auto liability & auto physical damage with PGAC receiving 59%, PGAC-Ohio receiving 33%, & GAIC receiving 8%. This Agreement applies only to that portion of any insurance or reinsurance which the parties hereto retain net for their own account and in calculating the amount of any loss hereunder, only loss or losses in respect of that portion of any insurance or reinsurance which the parties hereto retain net for their own account shall be included. The Company has a net receivable balance of \$2,021,316 at 06/30/2011.

**27. Structured Settlements**

None.

**28. Health Care Receivables**

None.

**29. Participating Policies**

None.

**30. Premium Deficiency Reserves**

1. Liability carried for premium deficiency reserves.	\$0
2. Date of the most recent evaluation of this liability.	06/30/2011
3. Was anticipated investment income utilized in the calculation?	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>

**31. High Deductibles**

None.

**32. Discounting of Liabilities for Unpaid Losses or Unpaid Loss Adjustment Expenses**

None.

**33. Asbestos/Environmental Reserves**

None.

**34. Subscriber Savings accounts**

None.

**35. Multi Peril Crop Insurance**

None.

**36. Financial Guaranty Insurance**

None.

**STATEMENT AS OF JUNE 30, 2011 OF THE Permanent General Assurance Corporation**

**GENERAL INTERROGATORIES**

**PART 1 - COMMON INTERROGATORIES  
GENERAL**

- 1.1 Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act? .....  Yes [ ]  No [X]  
1.2 If yes, has the report been filed with the domiciliary state? .....  Yes [ ]  No [ ]

- 2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? .....  Yes [ ]  No [X]

- 2.2 If yes, date of change: .....

3. Have there been any substantial changes in the organizational chart since the prior quarter end? .....  Yes [ ]  No [X]

If yes, complete the Schedule Y - Part 1 - organizational chart.

- 4.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? .....  Yes [ ]  No [X]

- 4.2 If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile

5. If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved? .....  Yes [ ]  No [X]  NA [ ]

If yes, attach an explanation.

- 6.1 State as of what date the latest financial examination of the reporting entity was made or is being made. .....  12/31/2009

- 6.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. .....  12/31/2004

- 6.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). .....  07/03/2006

- 6.4 By what department or departments?

Tennessee Department of Commerce & Insurance.....

- 6.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? .....  Yes [X]  No [ ]  NA [ ]

- 6.6 Have all of the recommendations within the latest financial examination report been complied with? .....  Yes [X]  No [ ]  NA [ ]

- 7.1 Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? .....  Yes [ ]  No [X]

- 7.2 If yes, give full information:

- 8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? .....  Yes [ ]  No [X]

- 8.2 If response to 8.1 is yes, please identify the name of the bank holding company.

- 8.3 Is the company affiliated with one or more banks, thrifts or securities firms? .....  Yes [ ]  No [X]

- 8.4 If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.]

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 OTS	6 FDIC	7 SEC

**STATEMENT AS OF JUNE 30, 2011 OF THE Permanent General Assurance Corporation****GENERAL INTERROGATORIES**

- 9.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?..... Yes [X] No [ ]
- (a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
  - (b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
  - (c) Compliance with applicable governmental laws, rules and regulations;
  - (d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
  - (e) Accountability for adherence to the code.
- 9.11 If the response to 9.1 is No, please explain:.....
- 9.2 Has the code of ethics for senior managers been amended?..... Yes [ ] No [X]
- 9.21 If the response to 9.2 is Yes, provide information related to amendment(s)......
- 9.3 Have any provisions of the code of ethics been waived for any of the specified officers?..... Yes [ ] No [X]
- 9.31 If the response to 9.3 is Yes, provide the nature of any waiver(s)......

**FINANCIAL**

- 10.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?..... Yes [X] No [ ]
- 10.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount:..... \$ 0

**INVESTMENT**

- 11.1 Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.)..... Yes [ ] No [X]
- 11.2 If yes, give full and complete information relating thereto:.....
12. Amount of real estate and mortgages held in other invested assets in Schedule BA:..... \$ 0
13. Amount of real estate and mortgages held in short-term investments:..... \$ 0
- 14.1 Does the reporting entity have any investments in parent, subsidiaries and affiliates?..... Yes [X] No [ ]
- 14.2 If yes, please complete the following:

	1 Prior Year-End Book/Adjusted Carrying Value	2 Current Quarter Book/Adjusted Carrying Value
14.21 Bonds .....	\$ .....	\$ .....
14.22 Preferred Stock .....	\$ .....	\$ .....
14.23 Common Stock .....	\$ .....	\$ .....
14.24 Short-Term Investments .....	\$ .....	\$ .....
14.25 Mortgage Loans on Real Estate .....	\$ .....	\$ .....
14.26 All Other .....	\$ .....	\$ .....
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26).....	\$ .....	\$ .....
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above ....	\$ .....	\$ .....

- 15.1 Has the reporting entity entered into any hedging transactions reported on Schedule DB?..... Yes [ ] No [X]
- 15.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state?..... Yes [ ] No [ ]  
If no, attach a description with this statement.

**STATEMENT AS OF JUNE 30, 2011 OF THE Permanent General Assurance Corporation**

**GENERAL INTERROGATORIES**

16. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III – General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?.....

Yes  No

- 16.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian Address
Bank of America.....	225 Franklin Street, Boston, Ma 02110.....

- 16.2 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)
.....	.....	.....

- 16.3 Have there been any changes, including name changes, in the custodian(s) identified in 16.1 during the current quarter?.....

Yes  No

- 16.4 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason
.....	.....	.....	.....

- 16.5 Identify all investment advisors, broker/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository	2 Name(s)	3 Address
.....	.....	.....

- 17.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed?.....

Yes  No

- 17.2 If no, list exceptions:

.....

**STATEMENT AS OF JUNE 30, 2011 OF THE Permanent General Assurance Corporation****GENERAL INTERROGATORIES**

(Responses to these interrogatories should be based on changes that have occurred since prior year end unless otherwise noted.)

**PART 2  
PROPERTY & CASUALTY INTERROGATORIES**

1. If the reporting entity is a member of a pooling arrangement, did the agreement or the reporting entity's participation change? ..... Yes [ ] No [X] NA [ ]

If yes, attach an explanation.

2. Has the reporting entity reinsured any risk with any other reporting entity and agreed to release such entity from liability, in whole or in part, from any loss that may occur on the risk, or portion thereof, reinsured? ..... Yes [ ] No [X]

If yes, attach an explanation.

3.1 Have any of the reporting entity's primary reinsurance contracts been canceled? ..... Yes [ ] No [X]

3.2 If yes, give full and complete information thereto.  
.....

4.1 Are any of the liabilities for unpaid losses and loss adjustment expenses other than certain workers' compensation tabular reserves (see Annual Statement Instructions pertaining to disclosure of discounting for definition of "tabular reserves,") discounted at a rate of interest greater than zero? ..... Yes [ ] No [X]

4.2 If yes, complete the following schedule:

1 Line of Business	2 Maximum Interest	3 Discount Rate	TOTAL DISCOUNT			DISCOUNT TAKEN DURING PERIOD				
			4 Unpaid Losses	5 Unpaid LAE	6 IBNR	7 TOTAL	8 Unpaid Losses	9 Unpaid LAE	10 IBNR	11 TOTAL
.....	.....	.....	0	0	0	0	0	0	0	0
			TOTAL							

5. Operating Percentages:

5.1 A&amp;H loss percent..... 0.0%

5.2 A&amp;H cost containment percent ..... 0.0%

5.3 A&amp;H expense percent excluding cost containment expenses ..... 0.0%

6.1 Do you act as a custodian for health savings accounts? ..... Yes [ ] No [X]

6.2 If yes, please provide the amount of custodial funds held as of the reporting date. \$.....

6.3 Do you act as an administrator for health savings accounts? ..... Yes [ ] No [X]

6.4 If yes, please provide the balance of the funds administered as of the reporting date. \$.....

STATEMENT AS OF JUNE 30, 2011 OF THE Permanent General Assurance Corporation

## **SCHEDULE F—CEDED REINSURANCE**

## Showing All New Reinsurers - Current Year to Date

**STATEMENT AS OF JUNE 30, 2011 OF THE Permanent General Assurance Corporation**

**SCHEDULE T - EXHIBIT OF PREMIUMS WRITTEN**

**Current Year to Date - Allocated by States and Territories**

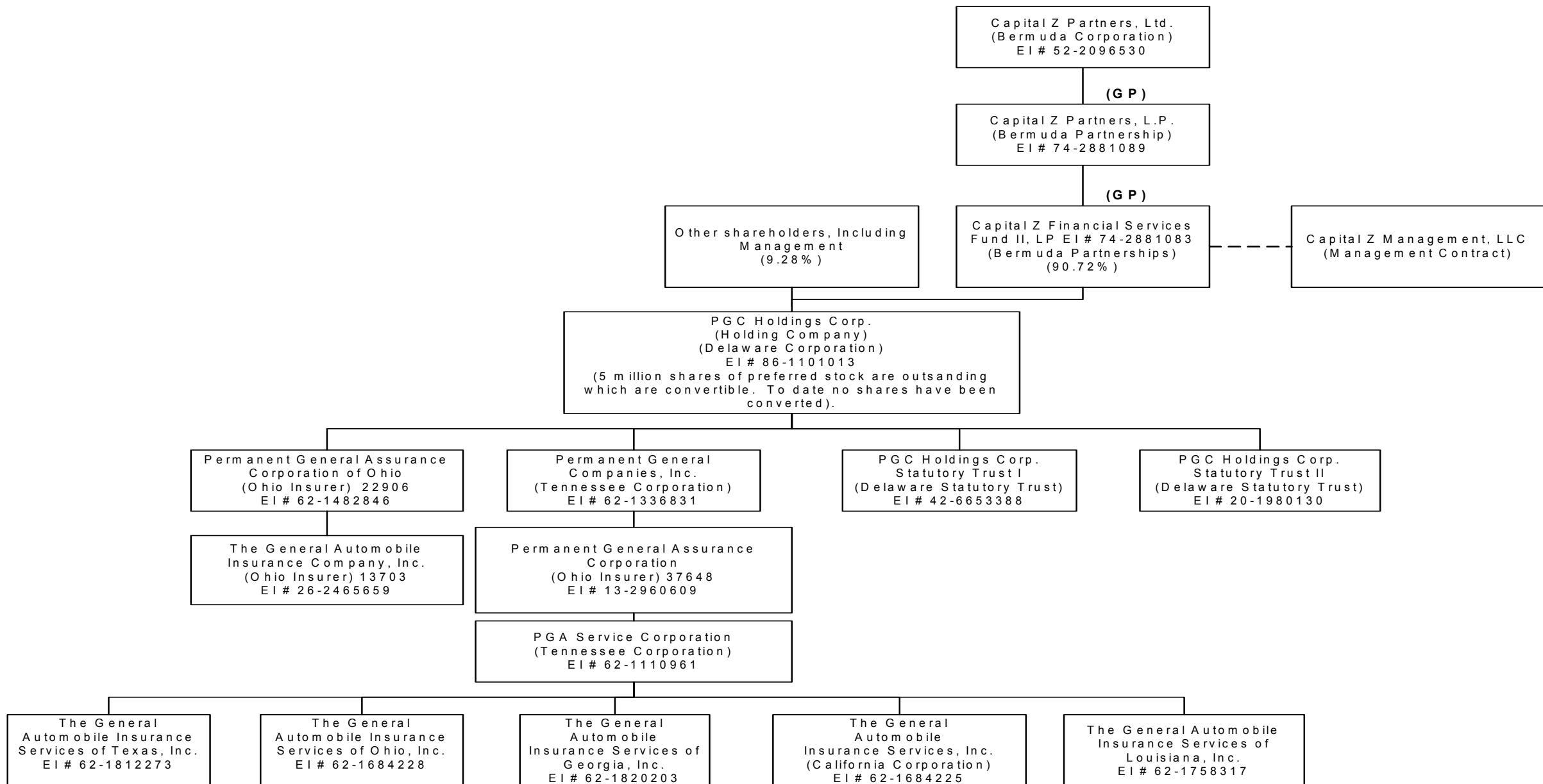
States, etc.	1 Active Status	Direct Premiums Written		Direct Losses Paid (Deducting Salvage)		Direct Losses Unpaid	
		2 Current Year To Date	3 Prior Year To Date	4 Current Year To Date	5 Prior Year To Date	6 Current Year To Date	7 Prior Year To Date
1. Alabama	AL	L	0	0	0	0	0
2. Alaska	AK	N	0	0	0	0	0
3. Arizona	AZ	L	6,299,274	6,844,399	3,559,328	2,734,690	2,557,190
4. Arkansas	AR	N	0	0	0	0	0
5. California	CA	L	23,791,674	25,087,098	11,639,235	12,939,662	8,697,331
6. Colorado	CO	L	3,053,021	2,716,449	1,731,874	2,190,566	1,619,043
7. Connecticut	CT	L	856,435	0	160,946	0	150,831
8. Delaware	DE	L	0	0	0	0	0
9. District of Columbia	DC	N	0	0	0	0	0
10. Florida	FL	L	14,083,692	11,976,802	8,299,865	6,822,591	6,170,166
11. Georgia	GA	L	2,500,876	2,641,690	1,784,219	2,209,819	1,518,027
12. Hawaii	HI	N	0	0	0	0	0
13. Idaho	ID	L	0	0	0	0	0
14. Illinois	IL	L	2,012,285	1,689,744	1,040,287	408,590	935,423
15. Indiana	IN	L	4,694,484	4,206,854	2,945,188	1,856,241	1,895,606
16. Iowa	IA	L	0	0	0	0	0
17. Kansas	KS	L	0	0	0	0	0
18. Kentucky	KY	N	0	0	0	0	0
19. Louisiana	LA	L	3,233,066	3,526,802	2,205,855	1,530,687	1,374,653
20. Maine	ME	N	0	0	0	0	0
21. Maryland	MD	N	0	0	0	0	0
22. Massachusetts	MA	L	0	0	0	0	0
23. Michigan	MI	N	0	0	0	0	0
24. Minnesota	MN	N	0	0	0	0	0
25. Mississippi	MS	L	0	0	0	0	0
26. Missouri	MO	L	2,197,057	1,572,813	891,351	270,194	844,434
27. Montana	MT	L	0	0	0	0	0
28. Nebraska	NE	L	0	0	0	0	0
29. Nevada	NV	L	2,540,770	1,883,373	1,020,736	506,781	1,004,617
30. New Hampshire	NH	N	0	0	0	0	0
31. New Jersey	NJ	L	0	0	0	0	0
32. New Mexico	NM	N	0	0	0	0	0
33. New York	NY	L	6,403,171	5,170,058	4,536,137	2,216,003	3,756,245
34. No. Carolina	NC	L	0	0	0	0	0
35. No. Dakota	ND	L	0	0	0	0	0
36. Ohio	OH	L	2,435,400	3,378,829	2,779,044	5,257,029	2,134,417
37. Oklahoma	OK	L	0	0	0	0	0
38. Oregon	OR	L	0	0	0	0	0
39. Pennsylvania	PA	L	11,161,484	8,117,783	4,556,627	1,957,146	3,989,265
40. Rhode Island	RI	L	0	0	0	0	0
41. So. Carolina	SC	L	1,012,833	694,863	477,169	500,426	376,001
42. So. Dakota	SD	L	0	0	0	0	0
43. Tennessee	TN	L	7,219,960	4,296,854	3,052,744	2,114,344	2,832,327
44. Texas	TX	L	1,294,659	503,096	490,496	475,817	595,764
45. Utah	UT	L	0	0	0	0	0
46. Vermont	VT	N	0	0	0	0	0
47. Virginia	VA	L	5,614,673	5,906,125	3,339,016	2,634,376	2,890,907
48. Washington	WA	L	0	0	0	0	0
49. West Virginia	WV	L	0	0	0	0	0
50. Wisconsin	WI	L	0	(22,350)	(7,456)	145,457	42,817
51. Wyoming	WY	N	0	0	0	0	0
52. American Samoa	AS	N	0	0	0	0	0
53. Guam	GU	N	0	0	0	0	0
54. Puerto Rico	PR	N	0	0	0	0	0
55. U.S. Virgin Islands	VI	N	0	0	0	0	0
56. Northern Mariana Islands	MP	N	0	0	0	0	0
57. Canada	CN	N	0	0	0	0	0
58. Aggregate Other Alien	OT	XXX	0	0	0	0	0
59. Totals	(a)	38	100,404,814	90,191,282	54,502,661	46,770,419	43,385,064
<b>DETAILS OF WRITE-INS</b>		XXX					
5801.		XXX					
5802.		XXX					
5803.		XXX					
5898. Summary of remaining write-ins for Line 58 from overflow page		XXX	0	0	0	0	0
5899. Totals (Lines 5801 through 5803 plus 5898) (Line 58 above)		XXX	0	0	0	0	0

(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business in the state.

(a) Insert the number of L responses except for Canada and Other Alien.

STATEMENT AS OF JUNE 30, 2011 OF THE Permanent General Assurance Corporation

**SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP**  
**PART 1 - ORGANIZATIONAL CHART**



**STATEMENT AS OF JUNE 30, 2011 OF THE Permanent General Assurance Corporation**

**PART 1 - LOSS EXPERIENCE**

Line of Business	Current Year to Date			4 Prior Year to Date Direct Loss Percentage
	1 Direct Premiums Earned	2 Direct Losses Incurred	3 Direct Loss Percentage	
1. Fire			0.0	0.0
2. Allied lines			0.0	0.0
3. Farmowners multiple peril			0.0	0.0
4. Homeowners multiple peril			0.0	0.0
5. Commercial multiple peril			0.0	0.0
6. Mortgage guaranty			0.0	0.0
8. Ocean marine			0.0	0.0
9. Inland marine			0.0	0.0
10. Financial guaranty			0.0	0.0
11.1 Medical professional liability - occurrence			0.0	0.0
11.2 Medical professional liability – claims made			0.0	0.0
12. Earthquake			0.0	0.0
13. Group accident and health			0.0	0.0
14. Credit accident and health			0.0	0.0
15. Other accident and health			0.0	0.0
16. Workers' compensation			0.0	0.0
17.1 Other liability occurrence			0.0	0.0
17.2 Other liability – claims made			0.0	0.0
17.3 Excess Workers' Compensation			0.0	0.0
18.1 Products liability - occurrence			0.0	0.0
18.2 Products liability – claims made			0.0	0.0
19.1,19.2 Private passenger auto liability	72,354,463	46,859,411	64.8	67.0
19.3,19.4 Commercial auto liability	21,514,093	11,453,420	53.2	48.8
21. Auto physical damage			0.0	0.0
22. Aircraft (all perils)			0.0	0.0
23. Fidelity			0.0	0.0
24. Surety			0.0	0.0
26. Burglary and theft			0.0	0.0
27. Boiler and machinery			0.0	0.0
28. Credit			0.0	0.0
29. International			0.0	0.0
30. Warranty			0.0	0.0
31. Reinsurance - Nonproportional Assumed Property	XXX	XXX	XXX	XXX
32. Reinsurance - Nonproportional Assumed Liability	XXX	XXX	XXX	XXX
33. Reinsurance - Nonproportional Assumed Financial Lines	XXX	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business	0	0	0.0	0.0
<b>TOTALS</b>	<b>93,868,556</b>	<b>58,312,831</b>	<b>62.1</b>	<b>62.5</b>
<b>DETAILS OF WRITE-INS</b>				
3401.				
3402.				
3403.				
3498. Sum. of remaining write-ins for Line 34 from overflow page	0	0	0.0	0.0
<b>3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34)</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0.0</b>

**PART 2 - DIRECT PREMIUMS WRITTEN**

Line of Business	1 Current Quarter	2 Current Year to Date	3 Prior Year Year to Date
1. Fire	.0		0
2. Allied lines	.0		0
3. Farmowners multiple peril	.0		0
4. Homeowners multiple peril	.0		0
5. Commercial multiple peril	.0		0
6. Mortgage guaranty	.0		0
8. Ocean marine	.0		0
9. Inland marine	.0		0
10. Financial guaranty	.0		0
11.1 Medical professional liability - occurrence	.0		0
11.2 Medical professional liability – claims made	.0		0
12. Earthquake	.0		0
13. Group accident and health	.0		0
14. Credit accident and health	.0		0
15. Other accident and health	.0		0
16. Workers' compensation	.0		0
17.1 Other liability-occurrence	.0		0
17.2 Other liability – claims made	.0		0
17.3 Excess Workers' Compensation	.0		0
18.1 Products liability - occurrence	.0		0
18.2 Products liability – claims made	.0		0
19.1,19.2 Private passenger auto liability	28,193,379	.77,454,672	.69,297,274
19.3,19.4 Commercial auto liability	.0		0
21. Auto physical damage	.8,696,841	.22,950,142	.20,894,008
22. Aircraft (all perils)	.0		0
23. Fidelity	.0		0
24. Surety	.0		0
26. Burglary and theft	.0		0
27. Boiler and machinery	.0		0
28. Credit	.0		0
29. International	.0		0
30. Warranty	.0		0
31. Reinsurance - Nonproportional Assumed Property	XXX	XXX	XXX
32. Reinsurance - Nonproportional Assumed Liability	XXX	XXX	XXX
33. Reinsurance - Nonproportional Assumed Financial Lines	XXX	XXX	XXX
34. Aggregate write-ins for other lines of business	.0	.0	0
<b>TOTALS</b>	<b>36,890,220</b>	<b>100,404,814</b>	<b>90,191,282</b>
<b>DETAILS OF WRITE-INS</b>			
3401.			
3402.			
3403.			
3498. Sum. of remaining write-ins for Line 34 from overflow page	0	0	0
<b>3499. Totals (Lines 3401 through 3403 plus 3498) (Line 34)</b>	<b>0</b>	<b>0</b>	<b>0</b>

STATEMENT AS OF JUNE 30, 2011 OF THE Permanent General Assurance Corporation

**PART 3 (000 omitted)**

**LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES SCHEDULE**

Years in Which Losses Occurred	1 Prior Year-End Known Case Loss and LAE Reserves	2 Prior Year-End IBNR Loss and LAE Reserves	3 Total Prior Year-End Loss and LAE Reserves (Cols. 1 + 2)	4 2011 Loss and LAE Payments on Claims Reported as of Prior Year-End	5 2011 Loss and LAE Payments on Claims Unreported as of Prior Year-End	6 Total 2011 Loss and LAE Payments (Cols. 4 + 5)	7 Q.S. Date Known Case Loss and LAE Reserves on Claims Reported or Reopened Subsequent to Prior Year-End	8 Q.S. Date IBNR Loss and LAE Reserves	9	10 Total Q.S. Loss and LAE Reserves (Cols. 7 + 8 + 9)	11 Prior Year-End Known Case Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 4 + 7 minus Col. 1)	12 Prior Year-End IBNR Loss and LAE Reserves Developed (Savings)/ Deficiency (Cols. 5 + 8 + 9 minus Col. 2)	13 Prior Year-End Total Loss and LAE Reserve Developed (Savings)/ Deficiency (Cols. 11 + 12)		
1. 2008 + Prior	1,824	(87)	1,737	1,153	5	1,158	1,161	6	(361)	806	.490	(263)	227		
2. 2009	4,425	1,144	5,569	3,093	16	3,109	2,321	12	588	2,921	.989	(528)	461		
3. Subtotals 2009 + prior	6,249	1,057	7,306	4,246	21	4,267	3,482	18	227	3,727	1,479	(791)	688		
4. 2010	24,352	11,503	35,855	22,525	113	22,638	11,265	57	3,691	15,013	9,438	(7,642)	1,796		
5. Subtotals 2010 + prior	30,601	12,560	43,161	26,771	134	26,905	14,747	75	3,918	18,740	10,917	(8,433)	2,484		
6. 2011	XXX	XXX	XXX	XXX	31,581	31,581	XXX	17,753	10,308	28,061	XXX	XXX	XXX		
7. Totals	30,601	12,560	43,161	26,771	31,715	58,486	14,747	17,828	14,226	46,801	10,917	(8,433)	2,484		
8. Prior Year-End Surplus As Regards Policy-holders		83,096									Col. 11, Line 7 As % of Col. 1 Line 7	Col. 12, Line 7 As % of Col. 2 Line 7	Col. 13, Line 7 As % of Col. 3 Line 7		
											1.	35.7	2.	(67.1)	
														Col. 13, Line 7 As a % of Col. 1 Line 8	
														4.	3.0

## SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of **NO** to the specific interrogatory will be accepted in lieu of filing on "NONE" report and a bar code will be printed below. If the supplement is required of your company but is not being filed for whatever reason enter **SEE EXPLANATION** and provide an explanation following the interrogatory questions.

---

RESPONSE

1. Will the Trusteed Surplus Statement be filed with the state of domicile and the NAIC with this statement? .....NO.....
2. Will Supplement A to Schedule T (Medical Professional Liability Supplement) be filed with this statement? .....NO.....
3. Will the Medicare Part D Coverage Supplement be filed with the state of domicile and the NAIC with this statement? .....NO.....
4. Will the Director and Officer Supplement be filed with the state of domicile and the NAIC with this statement? .....NO.....

**Explanation:**

- 1.
- 2.
- 3.
- 4.

**Bar Code:**

1.   
3 7 6 4 8 2 0 1 1 4 9 0 0 0 0 0 2
2.   
3 7 6 4 8 2 0 1 1 4 5 5 0 0 0 0 0 2
3.   
3 7 6 4 8 2 0 1 1 3 6 5 0 0 0 0 0 2
4.   
3 7 6 4 8 2 0 1 1 5 0 5 0 0 0 0 0 2

**OVERFLOW PAGE FOR WRITE-INS**

PQ004 Additional Aggregate Lines for Page 04 Line 14.

\*STMTINCOME

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year Ended December 31
1404. SUBROGATION FEES.....	.....0	.....0	.....50,481
1497. Summary of remaining write-ins for Line 14 from Page 04	0	0	50,481

STATEMENT AS OF JUNE 30, 2011 OF THE Permanent General Assurance Corporation

**SCHEDULE A - VERIFICATION**

Real Estate

	1 Year to Date	2 Prior Year Ended December 31
<b>NONE</b>		
1. Book/adjusted carrying value, December 31 of prior year	0	0
2. Cost of acquired:		
2.1 Actual cost at time of acquisition	0	0
2.2 Additional investment made after acquisition	0	0
3. Current year change in encumbrances	0	0
4. Total gain (loss) on disposals	0	0
5. Deduct amounts received on disposals	0	0
6. Total foreign exchange change in book/adjusted carrying value	0	0
7. Deduct current year's other than temporary impairment recognized	0	0
8. Deduct current year's depreciation	0	0
9. Book/adjusted carrying value at the end of current period (Lines 1+2+3+4-5+6-7-8)	0	0
10. Deduct total nonadmitted amounts	0	0
11. Statement value at end of current period (Line 9 minus Line 10)	0	0

**SCHEDULE B – VERIFICATION**

Mortgage Loans

	1 Year to Date	2 Prior Year Ended December 31
<b>NONE</b>		
1. Book value/recorded investment excluding accrued interest, December 31 of prior year	0	0
2. Cost of acquired:		
2.1 Actual cost at time of acquisition	0	0
2.2 Additional investment made after acquisition	0	0
3. Capitalized deferred interest and other	0	0
4. Accrual of discount	0	0
5. Unrealized valuation increase (decrease)	0	0
6. Total gain (loss) on disposals	0	0
7. Deduct amounts received on disposals	0	0
8. Deduct amortization of premium and mortgage interest points and commitment fees	0	0
9. Total foreign exchange change in book value/recorded investment excluding accrued interest	0	0
10. Deduct current year's other than temporary impairment recognized	0	0
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)	0	0
12. Total valuation allowance	0	0
13. Subtotal (Line 11 plus Line 12)	0	0
14. Deduct total nonadmitted amounts	0	0
15. Statement value at end of current period (Line 13 minus Line 14)	0	0

**SCHEDULE BA – VERIFICATION**

Other Long-Term Invested Assets

	1 Year To Date	2 Prior Year Ended December 31
<b>NONE</b>		
1. Book/adjusted carrying value, December 31 of prior year	0	0
2. Cost of acquired:		
2.1 Actual cost at time of acquisition	0	0
2.2 Additional investment made after acquisition	0	0
3. Capitalized deferred interest and other	0	0
4. Accrual of discount	0	0
5. Unrealized valuation increase (decrease)	0	0
6. Total gain (loss) on disposals	0	0
7. Deduct amounts received on disposals	0	0
8. Deduct amortization of premium and depreciation	0	0
9. Total foreign exchange change in book/adjusted carrying value	0	0
10. Deduct current year's other than temporary impairment recognized	0	0
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)	0	0
12. Deduct total nonadmitted amounts	0	0
13. Statement value at end of current period (Line 11 minus Line 12)	0	0

**SCHEDULE D – VERIFICATION**

Bonds and Stocks

	1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	112,216,570	117,917,266
2. Cost of bonds and stocks acquired	41,568,321	28,711,519
3. Accrual of discount	89,862	262,370
4. Unrealized valuation increase (decrease)	(621,140)	3,101,954
5. Total gain (loss) on disposals	2,262,330	981,896
6. Deduct consideration for bonds and stocks disposed of	33,326,235	36,429,661
7. Deduct amortization of premium	385,110	558,914
8. Total foreign exchange change in book/adjusted carrying value	0	0
9. Deduct current year's other than temporary impairment recognized	1,769,860	0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7+8-9)	121,804,598	112,216,570
11. Deduct total nonadmitted amounts	338,270	1,538,425
12. Statement value at end of current period (Line 10 minus Line 11)	121,466,328	110,678,145

**STATEMENT AS OF JUNE 30, 2011 OF THE Permanent General Assurance Corporation**

**SCHEDULE D - PART 1B**

Showing the Acquisitions, Dispositions and Non-Trading Activity  
During the Current Quarter for all Bonds and Preferred Stock by Rating Class

	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
<b>BONDS</b>								
1. Class 1 (a).....	97,669,304	15,416,484	14,038,778	1,661,107	97,669,304	100,708,117	0	110,272,953
2. Class 2 (a).....	21,315,898	5,590,434	2,040,194	(3,249,163)	21,315,898	21,616,974	0	15,266,012
3. Class 3 (a).....	4,880,464	1,101,570	1,634,055	(84,222)	4,880,464	4,263,757	0	0
4. Class 4 (a).....	0	0	0	0	0	0	0	0
5. Class 5 (a).....	0	0	0	0	0	0	0	0
6. Class 6 (a).....	0	0	0	0	0	0	0	0
7. Total Bonds.....	123,865,666	22,108,488	17,713,026	(1,672,279)	123,865,666	126,588,849	0	125,538,965
<b>PREFERRED STOCK</b>								
8. Class 1.....	0	0	0	0	0	0	0	0
9. Class 2.....	0	0	0	0	0	0	0	0
10. Class 3.....	0	0	0	0	0	0	0	0
11. Class 4.....	0	0	0	0	0	0	0	0
12. Class 5.....	0	0	0	0	0	0	0	0
13. Class 6.....	0	0	0	0	0	0	0	0
14. Total Preferred Stock.....	0	0	0	0	0	0	0	0
15. Total Bonds & Preferred Stock.....	123,865,666	22,108,488	17,713,026	(1,672,279)	123,865,666	126,588,849	0	125,538,965

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$ .....0 ; NAIC 2 \$ .....0 ; NAIC 3 \$ .....0 ; NAIC 4 \$ .....0 ; NAIC 5 \$ .....0 ; NAIC 6 \$ .....0

**STATEMENT AS OF JUNE 30, 2011 OF THE Permanent General Assurance Corporation**

**SCHEDULE DA - PART 1**

<b>Short-Term Investments</b>					
	1 Book/Adjusted Carrying Value	2 Par Value	3 Actual Cost	4 Interest Collected Year To Date	5 Paid for Accrued Interest Year To Date
9199999	10,482,057	XXX	10,482,057	2,129	0

**SCHEDULE DA - VERIFICATION**

<b>Short-Term Investments</b>		1 Year To Date	2 Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....		14,860,820	4,414,323
2. Cost of short-term investments acquired .....		13,151,858	35,181,933
3. Accrual of discount.....		0	0
4. Unrealized valuation increase (decrease).....		0	0
5. Total gain (loss) on disposals.....		0	0
6. Deduct consideration received on disposals.....		17,530,621	24,735,436
7. Deduct amortization of premium.....		0	0
8. Total foreign exchange change in book/adjusted carrying value.....		0	0
9. Deduct current year's other than temporary impairment recognized.....		0	0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....		10,482,057	14,860,820
11. Deduct total nonadmitted amounts.....		0	0
12. Statement value at end of current period (Line 10 minus Line 11)		10,482,057	14,860,820

Schedule DB - Part A - Verification

**NONE**

Schedule DB - Part B- Verification

**NONE**

Schedule DB - Part C - Section 1

**NONE**

Schedule DB - Part C - Section 2

**NONE**

Schedule DB - Verification

**NONE**

Schedule E Verification

**NONE**

Schedule A - Part 2

**NONE**

Schedule A - Part 3

**NONE**

Schedule B - Part 2

**NONE**

Schedule B - Part 3

**NONE**

Schedule BA - Part 2

**NONE**

Schedule BA - Part 3

**NONE**

STATEMENT AS OF JUNE 30, 2011 OF THE Permanent General Assurance Corporation

**SCHEDULE D - PART 3**

Show All Long-Term Bonds and Stock Acquired During the Current Quarter

1 CUSIP Identification	2 Description	3 Foreign	4 Date Acquired	5 Name of Vendor	6 Number of Shares of Stock	7 Actual Cost	8 Par Value	9 Paid for Accrued Interest and Dividends	10 NAIC Designation or Market Indicator <sup>(a)</sup>
3133XS-R5-9.....	FEDERAL HOME LOAN BANK 3.75 12/14/2018.....		02/22/2011.....	DIRECT.....		0	(4,000)	0	.....
0599999 - Total - Bonds - U.S. Governments					0	(4,000)	0	0	XXX
038222-AE-5.....	APPLIED MATERIALS INC 2.65 06/15/2016.....		06/01/2011.....	JP MORGAN CHASE.....	499,625	500,000	0	0	1.....
059511-AH-8.....	BACM 2007-2 AM 5.833% 04/10/49.....		03/25/2011.....	CREDIT SUISSE.....	0	0	0	0	166
07388Q-AG-4.....	BSCMS 2007-PW17 AM 5.861% 06/11/50.....		06/22/2011.....	WELLS FARGO ADVISORS.....	1,016,641	1,000,000	4,272	1	.....
07388Y-AG-7.....	BSCMS 2007-PW16 AM 5.905% 06/11/40.....		06/09/2011.....	CITIGROUP GLOBAL MARKETS.....	962,813	1,000,000	2,132	1	.....
20173M-AG-5.....	CCFC 2006-GG7 AM 6.078% 07/10/38.....		03/25/2011.....	WELLS FARGO ADVISORS.....	0	0	0	0	227
22545L-AG-4.....	CSCMC 2006-C5 AM 5.343% 12/15/39.....		06/09/2011.....	CREDIT SUISSE.....	933,594	1,000,000	1,929	12*	.....
231021-AJ-5.....	CUMMINS ENGINE 7.125 03/01/2028 7.125%		06/29/2011.....	US BANCORP INTL INC.....	287,824	252,000	6,185	2FE	.....
25459H-AV-7.....	DIRECTV HOLDINGS/FING 3.125 02/15/2016.....		04/26/2011.....	CREDIT SUISSE.....	997,410	1,000,000	6,424	2FE	.....
32051G-Y9-0.....	FHASI 2006-AR1 B1 5.367% 04/25/36.....		06/01/2011.....	Interest Capitalization.....	1,128	2,257	0	0	12*
437076-AP-7.....	HOME DEPOT INC 5.40 03/01/2016 5.400%		06/30/2011.....	BNP PARIBAS SECURITIES.....	1,117,920	1,000,000	18,750	2FE	.....
461202-AB-9.....	INTUIT INC 5.75 03/15/2017 5.750% 03/1.....		06/28/2011.....	Various.....	1,247,206	1,100,000	18,432	2FE	.....
583334-AE-7.....	MEADWESTVACO CORP 7.375 09/01/2019 7.3.....		04/28/2011.....	HSBC SECURITIES USA INC.....	1,101,570	1,000,000	12,701	3FE	.....
61747Y-CG-8.....	MORGAN STANLEY 7.3 05/13/2019 7.300% 0.....		06/14/2011.....	MORGAN STANLEY.....	568,365	500,000	3,447	1FE	.....
61747Y-DD-4.....	MORGAN STANLEY 3.8 04/29/2016 3.800% 0.....		04/27/2011.....	Various.....	998,580	1,000,000	158	1FE	.....
87938W-AN-3.....	TELEFONICA EMISIONES SAU 3.992 02/16/201.....	F.....	06/28/2011.....	JEFFRIES & COMPANY.....	1,006,480	1,000,000	14,970	1FE	.....
3899999 - Total - Bonds - Industrial, Misc.					10,739,156	10,354,257	89,794	XXX	.....
8399997 - Total - Bonds - Part 3					10,739,156	10,350,257	89,794	XXX	.....
8399999 - Total - Bonds					10,739,156	10,350,257	89,794	XXX	.....
8999999 - Total - Preferred Stocks					0	XXX	0	XXX	.....
9799999 - Total - Common Stocks					0	XXX	0	XXX	.....
9899999 - Total - Preferred and Common Stocks					0	XXX	0	XXX	.....
9999999 Totals					10,739,156	XXX	89,794	XXX	.....

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues .....

**STATEMENT AS OF JUNE 30, 2011 OF THE Permanent General Assurance Corporation**

**SCHEDULE D - PART 4**

**Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of by the Company During the Current Quarter**

1 CUSIP Identifi- cation	2 Description	3 For- eign	4 Disposal Date	5 Name of Purchaser	6 Number of Shares of Stock	7 Consideration	8 Par Value	9 Actual Cost	10 Prior Year Book/Adjusted Carrying Value	Change in Book/Adjusted Carrying Value					16 Book/ Adjusted Carrying Value at Disposal Date	17 Foreign Exchange Gain (Loss) on Disposal	18 Realized Gain (Loss) on Disposal	19 Total Gain (Loss) on Disposal	20 Bond Interest/Stock Dividends Received During Year	21 Maturity Date	22 NAIC Design- ation or Market Indicator (a)		
										11 Unrealized Valuation Increase/ Decrease)	12 Current Year's (Amortization)/ Accretion	13 Current Year's Other Than Temporary Impairment Recognized	14 Total Change in B./A.C.V. (11 + 12 - 13)	15 Total Foreign Exchange Change in B./A.C.V.									
36241K-XF-0..	GNMA POOL#782478 5.000% 11/15/38..		.06/01/2011..	Paydown..		.55,067	.55,067	.55,514	.55,539	.0	-.472	.0	-.472	.0	.55,067	.0	.0	.0	.0	.0	.1,122	.11/15/2038..	.1..
36290V-RT-3..	GNMA POOL #618898 5.500% 09/15/33..		.06/01/2011..	Paydown..		.304	.304	.309	.311	.0	-.7	.0	-.7	.0	.304	.0	.0	.0	.0	.0	.8	.09/15/2033..	.1..
36291C-AF-2..	GNMA POOL #623806 5.500% 11/15/33..		.06/01/2011..	Paydown..		.258	.258	.261	.262	.0	-.3	.0	-.3	.0	.258	.0	.0	.0	.0	.0	.6	.11/15/2033..	.1..
0599999 - Bonds - U.S. Governments						55,629	55,629	56,085	56,112	0	(483)	0	(483)	0	55,629	0	0	0	0	0	1,136	XXX	XXX
3128NH-W8-2..	FHARM ARM POOL #1J1571 5.557% 04/01/37..		.06/01/2011..	Paydown..		.1	.1	.1	.1	.0	0	.0	0	.0	.1	.0	.0	.0	.0	.0	.0	.04/01/2037..	.1..
312931-E7-9..	FHLMC GOLI POOL# A84658 4.500% 02/01/3..		.06/01/2011..	Paydown..		70,323	.70,323	.70,521	.70,515	.0	-.192	.0	-.192	.0	.70,323	.0	.0	.0	.0	.0	.1,210	.02/01/2039..	.1..
312933-ML-5..	FGLMC POOL# A86663 4.500% 06/01/39/..		.06/01/2011..	Paydown..		.37,672	.37,672	.37,660	.37,656	.0	.16	.0	.16	.0	.37,672	.0	.0	.0	.0	.0	.714	.06/01/2039..	.1..
312962-VE-0..	FHLMC POOL #810613 4.500% 10/01/18..		.06/01/2011..	Paydown..		.2,067	.2,067	.2,060	.2,066	.0	.2	.0	.2	.0	.2,067	.0	.0	.0	.0	.0	.42	.10/01/2018..	.1..
31377U-BK-8..	FNMA POOL #387142 5.190% 10/01/14..		.06/01/2011..	Paydown..		.2,740	.2,740	.2,843	.2,758	.0	(18)	.0	(18)	.0	.2,740	.0	.0	.0	.0	.0	.60	.10/01/2014..	.1..
31377U-JH-7..	FNMA DUS POOL #387364 (TN) 5.005% 05/..		.06/01/2011..	Paydown..		.4,247	.4,247	.4,251	.4,239	.0	.9	.0	.9	.0	.4,247	.0	.0	.0	.0	.0	.89	.05/01/2015..	.1..
31387H-R9-3..	FNMA POOL # 584712 6.500% 05/01/31..		.06/01/2011..	Paydown..		.225	.225	.236	.241	.0	(16)	.0	(16)	.0	.225	.0	.0	.0	.0	.0	.6	.05/01/2031..	.1..
31391X-S7-5..	FNMA POOL #680142 5.000% 01/01/18..		.06/01/2011..	Paydown..		.2,480	.2,480	.2,517	.2,499	.0	(19)	.0	(19)	.0	.2,480	.0	.0	.0	.0	.0	.49	.01/01/2018..	.1..
31392E-40-0..	FNR 2002-72 B 6.500% 11/25/17..		.06/01/2011..	Paydown..		.5,615	.5,615	.5,952	.5,832	.0	(217)	.0	(217)	.0	.5,615	.0	.0	.0	.0	.0	.151	.09/01/2017..	.1..
31392F-S8-1..	FNR 2002-82 BE 5.000% 10/25/31..		.06/01/2011..	Paydown..		.10,209	.10,209	.10,373	.10,202	.0	.8	.0	.8	.0	.10,209	.0	.0	.0	.0	.0	.208	.07/01/2011..	.1..
31395X-EM-3..	FHR 3021 PC 5.000% 11/15/28..		.06/01/2011..	Paydown..		.211,490	.211,490	.211,358	.211,122	.0	.367	.0	.367	.0	.211,490	.0	.0	.0	.0	.0	.4,427	.11/15/2028..	.1..
31397H-SD-1..	FHR 3338 BK 5.000% 10/15/34..		.06/01/2011..	Paydown..		.54,689	.54,689	.50,963	.53,259	.0	.1,430	.0	.1,430	.0	.54,689	.0	.0	.0	.0	.0	.1,120	.10/15/2034..	.1..
31401P-A6-1..	FNMA POOL #713829 4.500% 10/01/18..		.06/01/2011..	Paydown..		.2,663	.2,663	.2,684	.2,680	.0	(17)	.0	(17)	.0	.2,663	.0	.0	.0	.0	.0	.48	.10/01/2018..	.1..
31403Y-BN-2..	FNMA POOL #761545 (TENN) 5.000% 11/01/..		.06/01/2011..	Paydown..		.86,019	.86,019	.87,713	.87,119	.0	(1,100)	.0	(1,100)	.0	.86,019	.0	.0	.0	.0	.0	.1,651	.11/01/2019..	.1..
31405A-3E-1..	TN 5.000% 12/0.. FNMA POOL #783897 100%		.06/01/2011..	Paydown..		.64,510	.64,510	.64,275	.64,282	.0	.228	.0	.228	.0	.64,510	.0	.0	.0	.0	.0	.1,344	.12/01/2034..	.1..
31405C-XD-6..	FNMA POOL #785579 100% 5.000% 11/01/..		.06/01/2011..	Paydown..		.86,419	.86,419	.88,066	.87,305	.0	(886)	.0	(886)	.0	.86,419	.0	.0	.0	.0	.0	.2,070	.11/01/2019..	.1..
31405C-XG-9..	TN 5.000% 12/01/.. FNMA POOL #805081 100%		.06/01/2011..	Paydown..		.52,046	.52,046	.53,140	.52,748	.0	(702)	.0	(702)	.0	.52,046	.0	.0	.0	.0	.0	.1,238	.12/01/2019..	.1..
31406B-M6-4..	TN 5.000% 12/0.. FNMA POOL #805111 100%		.06/01/2011..	Paydown..		.7,657	.7,657	.7,796	.7,734	.0	(77)	.0	(77)	.0	.7,657	.0	.0	.0	.0	.0	.160	.12/01/2019..	.1..
31406B-N4-8..	TN 5.500% 12/01/.. FNMA POOL #953942 100%		.06/01/2011..	Paydown..		.48,002	.48,002	.48,932	.48,624	.0	(622)	.0	(622)	.0	.48,002	.0	.0	.0	.0	.0	.901	.12/01/2034..	.1..
31413S-HT-4..	TN 6.000% 11/01/.. FNMA POOL# AA5062		.06/01/2011..	Paydown..		.1,957	.1,957	.1,970	.1,973	.0	(16)	.0	(16)	.0	.1,957	.0	.0	.0	.0	.0	.49	.11/01/2037..	.1..
31416N-TU-6..	4.500% 03/01/39.. FNMA POOL# AA6042		.06/01/2011..	Paydown..		.49,984	.49,984	.50,148	.50,105	.0	(121)	.0	(121)	.0	.49,984	.0	.0	.0	.0	.0	.926	.03/01/2039..	.1..
31416P-WC-7..	4.500% 05/01/39.. NORTH CENTRAL TX HLTH		.06/01/2011..	Paydown..		.48,180	.48,180	.48,908	.48,819	.0	(638)	.0	(638)	.0	.48,180	.0	.0	.0	.0	.0	.880	.05/01/2039..	.1..
658546-KT-2..	6.625% 06/01/11.. REGIONAL TRANS AUTH		.06/01/2011..	Maturity..		.80,000	.80,000	.91,010	.80,793	.0	(793)	.0	(793)	.0	.80,000	.0	.0	.0	.0	.0	.2,650	.06/01/2011..	.1..
759911-02-9..	ILLINOIS 2.979 06/01/..		.06/01/2011..	Maturity..		.2,000,000	.2,000,000	.1,999,960	.1,999,986	.0	.14	.0	.14	.0	.2,000,000	.0	.0	.0	.0	.0	.29,790	.06/01/2011..	.1..
3199999 - Total - Bonds - U.S. Special Revenue and Special Assessment and all Non-Guaranteed Obligations of...						2,929,195	2,929,195	2,943,337	2,932,555	0	(3,360)	0	(3,360)	0	2,929,195	0	0	0	0	0	49,785	XXX	XXX
00206R-AP-7..	A&T 6.7 11/15/2013..		.06/29/2011..	JEFFRIES & COMPANY..		.1,121,480	.1,000,000	.999,085	.999,435	.0	.93	.0	.93	.0	.999,528	.0	.121,952	.121,952	.42,806	.11/15/2013..	.1FE..		
03523T-BG-2..	ANHEUSER-BUSCH INBEV WOR 5.375 11/15/201..		.06/28/2011..	MIZUHO SEC USA INC..		.839,603	.750,000	.749,356	.0	.0	.104	.0	.104	.0	.749,460	.0	.90,143	.90,143	.25,307	.11/15/2014..	.2..		
038222-AE-5..	APPLIED MATERIALS INC 2.65 06/15/2016..		.06/24/2011..	BB&T CAPITAL MARKETS..		.508,695	.500,000	.499,625	.0	.0	.3	.0	.3	.0	.499,628	.0	.9,067	.9,067	.773	.06/15/2016..	.1..		
05949A-VT-4..	BOAMS 2004-9 1A8 5.250% 11/25/34..		.06/01/2011..	Paydown..		.30,971	.30,971	.31,194	.30,902	.0	.69	.0	.69	.0	.30,971	.0	.0	.0	.0	.0	.657	.08/01/2011..	.1..

**STATEMENT AS OF JUNE 30, 2011 OF THE Permanent General Assurance Corporation**

## **SCHEDULE D - PART 4**

**Show All Long-Term Bonds and Stock Sold, Redeemed or Otherwise Disposed of by the Company During the Current Quarter**

1	2	3	4	5	6	7	8	9	10	Change in Book/Adjusted Carrying Value					16	17	18	19	20	21	22	
										Prior Year Book/Adjusted Carrying Value	11	12	13	14	15	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Maturity Date	NAIC Designation or Market Indication (a)
										Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11 + 12 - 13)	Total Foreign Exchange Change in B./A.C.V.								
CUSIP Identification	Description	Disposal Date	Name of Purchaser	Number of Shares of Stock	Consideration	Par Value	Actual Cost	Prior Year Book/Adjusted Carrying Value	Unrealized Valuation Increase/ (Decrease)	Current Year's (Amortization)/ Accretion	Current Year's Other Than Temporary Impairment Recognized	Total Change in B./A.C.V. (11 + 12 - 13)	Total Foreign Exchange Change in B./A.C.V.	Book/Adjusted Carrying Value at Disposal Date	Foreign Exchange Gain (Loss) on Disposal	Realized Gain (Loss) on Disposal	Total Gain (Loss) on Disposal	Bond Interest/Stock Dividends Received During Year	Maturity Date	NAIC Designation or Market Indication (a)		
059511-BA-2	BACM 2007-2 J 5.833% 04/10/49.	05/24/2011	GOLDMAN SACHS		.87,710	1,253,000	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.87,710	.77,529	04/10/2049	.1	
05952A-AL-8	BACM 2008-1 B 6.437% 01/10/18.	05/31/2011	Basis Adjustment		(75)	.316,000	(3,420)	(3,420)	.0	.3,345	.0	.3,345	.0	.0	(75)	.0	.0	.0	.0	0	01/10/2018	.1
07387M-AP-4	BSCMS 2006-PW11 F 5.620% 03/11/39.	06/30/2011	Basis Adjustment		164	1,000,000	(3,566)	(571,003)	.567,928	.3,239	.0	.571,166	.0	.164	.0	.0	.0	.0	0	0	03/11/2039	.1
07388Y-AW-2	BSCMS 2007-PW16 D 5.905% 06/11/40.	06/30/2011	Basis Adjustment		38,733	1,000,000	.69,876	.69,876	.0	(31,143)	.0	(31,143)	.0	.38,733	.0	.0	.0	.0	0	0	06/11/2040	.1
101137-AG-2	BOSTON SCIENTIFIC CORP 6.4 06/15/2016.	04/21/2011	BARCLAYS		1,661,160	1,500,000	1,639,500	.0	.0	(5,445)	.0	(5,445)	.0	1,634,055	.0	.27,105	.27,105	.35,200	06/15/2016	.3FE		
12669G-HZ-7	CWHL 2004-29 1A2 1.086% 02/25/35.	06/27/2011	Paydown		3,972	3,972	3,972	3,972	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	02/25/2035	.22*
127210-AB-8	CADBURY SCHW US 5.125% 10/01/13.	06/27/2011	BANK OF AMERICA		1,418,646	1,311,000	1,268,097	1,286,638	.0	.4,096	.0	.4,096	.0	.1,290,734	.0	.127,912	.127,912	.50,205	10/01/2013	.2FE		
172973-A9-0	CMSI 2004-5 4A1 5.250% 08/25/34.	06/01/2011	Paydown		70,819	70,819	71,627	70,817	.0	.2	.0	.2	0	.0	.0	.0	.0	.0	.0	.0	05/01/2012	.1Z*
17307G-PJ-1	CMLTI 2005-WF1 M3 5.850% 12/25/34.	06/30/2011	Basis Adjustment		10,505	.993,269	.24,234	.24,234	.0	(13,730)	.0	(13,730)	.0	.10,505	.0	.0	.0	.0	0	0	02/25/2034	.1Z*
32051G-Y9-0	FHAS1 2006-AR1 B1 5.367% 04/25/36.	05/01/2011	Paydown		286	.95,054	.5,576	.5,576	.0	(5,290)	.0	(5,290)	.0	.286	.0	.0	.0	.0	.0	.0	04/25/2036	.1Z*
32051G-Y9-0	FHAS1 2006-AR1 B1 5.367% 04/25/36.	06/30/2011	Basis Adjustment		(7,812)	.530,938	.2,776	.2,738	.0	(10,588)	.0	(10,588)	.0	(7,812)	.0	.0	.0	.0	0	0	04/25/2036	.1Z*
36962G-W5-9	GENERAL ELECTRIC CAPITAL CORP 5.500% 04/28/2011.	04/28/2011	Maturity		1,000,000	1,000,000	.998,660	.999,903	.0	.97	.0	.97	0	1,000,000	.0	.0	.0	.0	.0	.0	04/28/2011	.1FE
466247-WV-1	JPMINT 2005-AT B1 4.677% 10/25/35.	06/01/2011	Paydown		4,174	4,174	3,369	3,369	.0	.806	.0	.806	0	.4,174	.0	.0	.0	.0	.0	.0	02/25/2035	.1Z*
466247-WV-1	JPMINT 2005-AT B1 4.677% 10/25/35.	06/30/2011	Basis Adjustment		(8,976)	.965,228	10,902	10,902	.0	(19,878)	.0	(19,878)	0	(8,976)	.0	.0	.0	.0	0	0	02/25/2035	.1Z*
46625H-GG-9	JP MORGAN CHASE & CO 5.600% 06/01/11.	06/01/2011	Maturity		1,000,000	1,000,000	.999,580	.999,964	.0	.36	.0	.36	0	1,000,000	.0	.0	.0	.0	.0	.0	06/01/2011	.1FE
46632M-CL-2	JPMCC 2008-C2 AJ 6.567% 02/12/51.	04/01/2011	MORGAN STANLEY		0	0	0	0	.0	.0	.0	.0	0	0	.0	.0	.0	.0	.0	.0	02/12/2051	.1Z*
61746B-CW-4	MORGAN STANLEY 5.625% 01/09/12.	06/14/2011	MORGAN STANLEY		1,028,910	1,000,000	1,016,040	1,003,761	.0	(1,674)	.0	(1,674)	0	.1,002,087	.0	.26,823	.26,823	.52,813	01/09/2012	.1FE		
655664-AK-6	NORDSTROM INC 6.25% 01/15/2018.	04/26/2011	BNP PARIBAS SECURITIES		1,147,370	1,000,000	1,001,310	1,001,167	.0	(44)	0	(44)	0	.1,001,122	.0	.146,248	.146,248	.49,306	01/15/2018	.1FE		
717081-DB-6	POPLR 2004-5 M2 5.700% 03/15/34.	05/31/2011	US BANCORP INTL INC		.882,968	.750,000	.749,243	.749,332	.0	.27	0	.27	0	.749,358	.0	.133,609	.133,609	.33,325	03/15/2019	.1FE		
73316P-BB-5	POPLR 2005-2 M1 5.417% 04/25/35.	06/30/2011	Basis Adjustment		(745)	.468,281	(622)	(622)	.0	(123)	0	(123)	0	(745)	.0	.0	.0	.0	0	0	02/25/2034	.1Z*
73316P-CK-4	RAMP 2004-RS10 M11 5.280% 10/25/34.	06/30/2011	Basis Adjustment		(95)	.606,897	(271)	(271)	.0	.176	0	.176	0	(95)	.0	.0	.0	.0	0	0	04/25/2035	.1Z*
76112B-DV-9	ROCHE HOLDINGS INC 5.03/01/2014 5.000% 03.	04/26/2011	MORGAN STANLEY		1,042,264	.954,000	.947,074	.949,438	.0	.433	0	.433	0	.949,871	.0	.92,393	.92,393	.31,535	03/01/2014	.1FE		
806605-AJ-0	SCHERING-PLOUGH CORPORATION 6 09/15/2017.	05/25/2011	US BANCORP INTL INC		1,177,930	1,000,000	1,054,650	1,045,467	.0	(2,362)	0	(2,362)	0	.1,043,105	0	.134,825	.134,825	.42,667	09/15/2017	.1FE		
92343V-AL-8	VERIZON COMMUNICATIONS 5.5 02/15/2018.	06/27/2011	JEFFRIES & COMPANY		565,850	.500,000	.498,780	.499,069	.0	.54	0	.54	0	.499,123	.0	.66,727	.66,727	.24,063	02/15/2018	.1FE		
929766-GR-8	WFMS 2004-F A3 2.986% 06/15/35.	06/01/2011	Paydown		12,969	12,969	12,904	12,950	.0	.19	0	.19	0	.12,969	.0	.0	.0	.0	.0	.0	06/15/2035	.1Z*
949770-AC-5	WFYETH 5.450% 04/01/17.	04/01/2011	Paydown		16,445	16,445	16,278	16,340	.0	.105	0	.105	0	.16,445	.0	.0	.0	.0	.0	.0	06/25/2034	.1Z*
983024-AM-2	YIETH 5.450% 04/01/17.	05/25/2011	UBS SECURITIES-CORP		1,148,510	1,000,000	1,026,620	1,021,900	.0	(1,241)	0	(1,241)	0	.1,020,658	.0	.127,852	.127,852	.36,333	04/01/2017	.1FE		
3899999 - Bonds - Industrial and Miscellaneous					14,802,462	21,238,254	13,691,894	10,231,879	567,928	(78,231)	0	489,697	0	13,610,095	0	1,192,367	1,192,367	568,791	XXX	XXX		
8399997 - Bonds - Part 4					17,787,286	24,223,078	16,691,316	13,220,546	567,928	(82,074)	0	485,854	0	16,594,919	0	1,192,367	1,192,367	619,712	XXX	XXX		
8399999 - Total - Bonds					17,787,286	24,223,078	16,691,316	13,220,546	567,928	(82,074)	0	485,854	0	16,594,919	0	1,192,367	1,192,367	619,712	XXX	XXX		
8999999 - Total - Preferred Stocks					0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX	
9799999 - Total - Common Stocks					0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX	
9899999 - Total - Preferred and Common Stocks					0	XXX	0	0	0	0	0	0	0	0	0	0	0	0	0	XXX	XXX	
9999999 Totals					17,787,286	XXX	16,691,316	13,220,546	567,928	(82,074)	0	485,854	0	16,594,919	0	1,192,367	1,192,367	619,712	XXX	XXX		

(a) For all common stock bearing the NAIC market indicator "U" provide: the number of such issues .....  
.....

Schedule DB - Part A - Section 1

**NONE**

Sch. DB - Pt. A - Sn. 1 - Footnote (a)

**NONE**

Schedule DB - Part B - Section 1

**NONE**

Sch. DB - Pt. B - Sn. 1 - Footnotes

**NONE**

Schedule DB - Part D

**NONE**

Schedule DL - Part 1

**NONE**

Schedule DL - Part 2

**NONE**

Schedule E - Part 1

**NONE**

Schedule E - Part 2 - Cash Equivalents

**NONE**